

Executive Summary

Strategic Importance and Market Trajectory

Foundational Role in ADI: Organizations are modernizing analytical data infrastructure to support complex BI and AI initiatives. (see “Special Report: The State of Analytic Data Infrastructure in 2026”). Data engineering serves as the backbone of this infrastructure, providing the essential capabilities for building and managing the pipelines that drive these strategic investments.

Escalating Business Priority: The perceived importance of data engineering has risen steadily since 2020. It is now classified as critical by a majority of organizations, particularly those of larger scale. Data suggests a direct correlation between a high priority on data engineering and the magnitude of ROI realized from BI investments.

Market Adoption and Sourcing Strategies

Vendor Selection and Sourcing Preferences: The market reflects a clear preference for best-of-breed sourcing, though the ability to integrate with a strategic ADI platform remains a core requirement. Preferences vary by geography; for instance, Asia Pacific leans toward best of breed, while Latin American organizations prioritize tight integration with primary ADI vendors.

Broadening Global Adoption: A majority of organizations have already deployed data engineering technology, with significant expansion planned over the next two years. Current adoption is most mature in North America and EMEA, specifically within the healthcare, manufacturing, and financial services sectors.

Functional Requirements and Integration

Priority on Ease of Development: Users are prioritizing features that streamline data flow creation, such as graphical development environments, no-code or code-friendly transformations, and AI-assisted capabilities. While modern features are sought after, the market continues to require robust traditional ETL functionalities like complex grouping, scheduling, and monitoring.

Diverse Integration Requirements: Integration flexibility is a key driver of BI success. Preferences are centered on API-based connectivity, ETL/ELT data flows, and standard SQL interfaces. While cloud-native and metadata exchange techniques are currently in the minority, a diverse integration portfolio correlates with higher levels of organizational BI achievement.

Operational Scope and Data Complexity

Expansion Beyond Traditional BI: While data warehousing and ad hoc queries remain primary focuses, data engineering is increasingly utilized for operational use cases. This includes master data delivery, system migrations, and external data sharing. Vendors must align their messaging to address these broader operational requirements.